GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:899
ANSWERED ON:29.07.2005
NEW PENSION SCHEME
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to promote old age income security by establishing, regulating and development pension funds under the New Pension System;

(b) if so, the details in this regard; and

(c) the steps taken by the Government to protect the interests of subscribers to pension schemes in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a), (b) & (c): The Government has already implemented a new restructured defined contribution pension scheme, New Pension System (NPS) for all new Central Government recruits (excluding Armed Forces, in the first stage) with effect from 1.1.2004. The NPS will also be available, on a voluntary basis to all persons including self - employed professionals and others in the unorganized sector. The Government proposes to have a legislative framework providing, inter-alia, for a statutory Pension Fund Regulatory and Development Authority (PFRDA) entrusted with the responsibility of promoting and ensuring the orderly growth of the pension sector. To safeguard the interests of the subscribers, penalties are being proposed for non compliance with the regulatory provisions. -.-